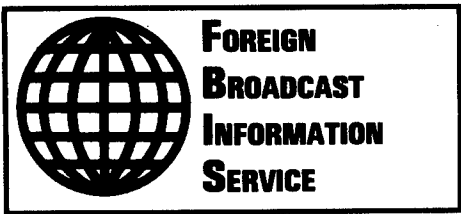


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# ***JPRS Report***

## **China**

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[This series contains the tables of contents and translations of selected articles from QIUSHI [SEEKING TRUTH], a semimonthly theoretical journal published by the CPC Party School in Beijing]

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**Comrade Li Peng's Speech at the Meeting of Party, Government, and Military Cadres in Beijing**

HK2205101089 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 11, 1 Jun 89 pp 2-4

[Text of speech published in FBIS-CHI-89-097 of 22 May 1989, pp 7-9]

**Do A Good Job in Developing Democratic Politics, Proceeding From Building a Clean Government**

HK0607095089 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 11, 1 Jun 89 pp 5-9

[Article by Jiang Chunyun 1203 2505 0061, Secretary of Shandong Provincial CPC Committee]

[Text] In the new situation of reform, opening the country to the outside world and developing the planned commodity economy, we are confronted with the new and important task of developing democratic politics. Over the last 2 years, Shandong Province has taken some exploratory steps in connection with the development of democratic politics at the local level, particularly in grassroots units in the urban and rural areas. Initial results indicate that socialist democratic politics has great vitality and superiority. I would like to say a few words on this matter in the light of the reality in Shandong.

**Exploring From Selected Places to the Whole Area and From the Shallow to the Deep**

Comrade Zhao Ziyang pointed out in his report to the 13th CPC Congress that "the process of developing a socialist commodity economy should also involve the building of a socialist democracy." The recent development of democratic politics in our province has been unfolded as a gradual process that spreads from selected places to the whole area and from the shallow to the deep in accordance with the guidelines of the 13th CPC Congress, and by proceeding from building a clean government. A number of excellent examples have emerged at the provincial, city, prefectural, and county levels. Among them, Tancheng county has, by relying on the initiative of the leadership and increasing the degree of openness, tackled problems of primary concern to the masses and basically put an end to a range of malpractices, such as withholding agricultural means of production at every level, spending public funds on entertaining and gifts, engaging in back-door dealings in the recruitment of workers and cadres, dishonest acquisition and use of funds, unjustified financial levies, unwarranted retention of profits, and pulling personal ties in the promotion of cadres. Changle county has put into practice the method of open administration and mass supervision. At present, all towns and townships and 95 percent of villages in this county have adopted the practice of making public their systems and results of administration and introduced mass supervision, thus

promoting the building of clean party and government organs and the development of material and spiritual civilizations. Liaocheng prefecture has tackled a number of salient problems in the work style of government offices by launching activities of "better services and clean politics," thus bringing about notable changes in the mental outlook of the cadres and masses. The Provincial People's Bank, the Qingdao Customs Office, and a number of other offices have, by combining the institution of new systems with democratic discussion, turned the work style of honestly serving the people into a general practice. Other exploratory steps in developing democratic politics are also being tried out in other places.

Typical experiences are created in the course of practice and are therefore the most exemplary. The Provincial CPC Committee has discovered, summed up, and popularized these typical experiences and pushed forward the development of democratic politics throughout the province in good time. On 9 January this year, Changle county convened an on-the-spot meeting of responsible persons at the provincial, city, prefectural, and county levels on "upholding the Party's objectives and building a clean government." Comrades who attended this meeting obtained great inspiration through visits, comparing notes, and summing up experiences. The consensus of this meeting was that we should proceed from building a clean government in developing democratic politics at various local levels. Once this is done, many other problems can be readily solved. The key to building a clean government lies in the leadership, the degree of openness, the system, the example set by leading organs, and the extent of public participation in politics. The Provincial CPC Committee has made the following unequivocal call: We must learn from and popularize the experience of Tancheng and Changle counties, be resolute and take effective steps to combine education in the party's objectives with the institution of relevant systems, combine self-restraint with the investigation and handling of cases, combine general calls with the summing up and popularization of typical examples, and combine the building of a clean and industrious government with the improvement, rectification, and deepening of reforms. This meeting has unified the understanding of leaders at the prefectural and county levels, increased their confidence, enabled them to find the road to build a clean government, and enhanced their awareness in grasping the development of democratic politics. On the eve of the Spring Festival, the Provincial CPC Committee again convened a "mobilization meeting for a clean and industrious government." The meeting was attended by provincial-level organs. At present, the development of democratic politics with the building of a clean government at its core is gradually being launched on a full scale in all trades and professions throughout the province.

Over the last 2 years, particularly about 3 months following the on-the-spot meeting in Changle county, the development of democratic politics has made considerable progress in our province. According to incomplete

statistics for 7 cities and prefectures, 60 percent of departments directly under city or prefectural authorities, 55 percent of departments directly under county or district authorities, 54 percent of towns and townships and 59 percent of villages have implemented the practice of "making public the systems and results of work and carrying out mass supervision," while 82 percent of towns and townships and 66 percent of villages have established organizations for public participation in politics. Practice has shown that places which have done a good job in building a clean government have also done well in rectifying the work style of the party, the government and the people, resolving difficult problems (a number of long-standing problems have been resolved), and promoting industrious administration (with new progress made in various areas of work), and have markedly improved the relations of the party, the government, and the cadres to the people. Although in our province the development of democratic politics with the building of a clean government as the starting point is still at a stage of initial exploration from different angles, it has attained tangible results in mitigating the current social and economic contradictions, promoting the improvement of production relations and the superstructure and arousing people's enthusiasm in developing the four modernizations. Following the deepening of this practice, the tremendous vitality, potential and superiority of socialist democratic politics will become more and more manifest.

#### **Establish a Democratic Political Mechanism That Is Full of Vigor and Vitality**

The development of socialist democratic politics in China is still in its initial stage and it will be quite a while before the system can be perfected. We must step up work in this area, actively explore ways and means, and proceed from the actual conditions in various localities in order to gradually develop and improve democratic politics that is full of vigor and vitality and suits our national conditions. As shown from practice in our province, the establishment and improvement of the following mechanisms is a feasible approach that is likely to yield results.

**Establish checks and balances by conducting administrative affairs in public.** At present, China is in the process of developing the planned commodity economy in a big way and replacing the old systems with the new. Under such circumstances, decadent and unhealthy practices involving the bartering of power for money are unavoidable. From the realistic point of view, the establishment of checks and balances by conducting administrative affairs in public under mass supervision is the most practical kind of democracy, the kind of democracy that the masses will like to see. This practice will reduce, even eliminate, cases of corruption, resolve those economic and social problems which the masses find most objectionable, and mitigate the contradictions arising from

the replacement of old systems by the new. Take Beitangwu township in Changle county for instance. Three-way debts in arrears between the collective and the masses had accumulated to a hefty sum of 950,000 yuan since the establishment of elementary cooperatives, but the problem had remained unresolved due to bad book-keeping and the fact that some people are jealous of other people's higher incomes. Last year the township adopted the practice of conducting administrative affairs in public. The books, debts in arrears and methods of repayment were made public. This practice dispelled the misgivings of the masses and rid them of their feelings of jealousy. The 38-year-old problem was tackled in one go much to the acclaim of the masses. The public security organs of Zibo city had been accused by the masses of "back-door dealings" and jobbery in the handling of applications to change one's household registration from agricultural to non-agricultural and in the control of motor vehicles. In May last year, they put an end to the practice of handling household registration and motorist control behind "closed doors" and adopted the "open-door" approach of mass appraisal, thus effectively solving this long-standing problem. The masses said: "Now we have an effective prescription for curing the malady of unhealthy practices."

**Increase the driving force by guiding the masses to participate in politics.** Practice has shown that the driving force behind the "four modernizations" comes from the structural reform and the development of democratic politics. The former injects new vigor and vitality into economic development by resolving the problem of the incompatibility between the relations of production and the productive forces, while the latter encourages and establishes the concept of being the master of one's own destiny and increases the internal driving force of economic and social development. The two are complementary and are equally indispensable. Some time ago, some towns, townships, and villages in Anqiu county encountered difficulties in their work because administrative orders could not be carried through. The masses were dissatisfied with the cadres, and the cadres blamed the masses. After earnestly analyzing the causes of these phenomena, the county party committee proposed that the leadership refrain from taking everything into its own hands and that the masses be allowed to handle their own affairs. They first tried out the method of setting up party councils and masses councils in Jiage township. Under this method, all major issues and difficult problems were first discussed by party and village representatives before any decision was reached. In this way, many problems were resolved and contradictions were mitigated. This practice promoted scientific decisionmaking and the development of material and spiritual civilization. Last year, this township attained increases of 7 percent, 58 percent and 14 percent respectively in its total grain output, industrial and agricultural output value and peasants' per capita income. Nearly half of the villages in this township became "civilized villages" and had their first taste of the benefits of democratic politics. The experience of

this township was later popularized throughout the county and democratic politics was further developed. Our province also gradually promoted the practice of requiring cadres to report on their work and asking the masses to appraise the work of the leadership through discussion. Over the last 2 years, more than 80,000 people were reported to have taken part in democratic appraisals and in the democratic nomination of cadres. A total of 105 leading groups and 486 cadres at the city, prefectural, bureau, and departmental levels, as well as 1,541 leading groups and 6,214 cadres at the county and office levels, had been given appraisal by the masses. These figures accounted for more than 80 percent and 70 percent of the leading groups and leaders at corresponding levels. This played a positive role in improving the performance and work style of these leading groups. The proper selection of party and government cadres at various levels is an important aspect of democratic politics. At present, the method of democratic appraisal and nomination and elections with more candidates than posts is normally adopted in filling leading posts at various levels. Since last year, both the provincial party committee and the provincial government have adopted the democratic selection process in the replacement of leading cadres. Candidates are first nominated by cadres at or above the prefectural, city, or county levels. After repeated deliberation and solicitation of opinions, a list of candidates whose number exceeds that of actual posts available is submitted to the party congress or people's congress to be voted on. This method is conducive to the discovery and selection of talents and the optimization of the mass basis of the leading groups. It can also give expression to the aspirations of the people and increase the authority of the leading groups.

**Strengthen the legal system by providing better safeguards.** When summing up the lessons learned from the 10 years of disasters, Comrade Deng Xiaoping pointed out that compared to the problem of ideology and work style on the part of some leaders, the problem of systems "is of a more fundamental nature, has a bearing on the whole situation, and is more enduring and protracted."<sup>1</sup> Socialist modernization must be developed on the basis of the legal system in order that subjective initiative and confusion can be avoided. The system of people's congresses is the most fundamental political system in China, and the system of multi-party cooperation under the leadership of the CPC is our major political superiority. We must uphold these systems because they are the fundamental guarantees for the building of socialism with Chinese characteristics. At the local and grassroots levels, we should also proceed from reality in the development of democratic politics and formulate rules and regulations suited to local economic and social development. This is an important aspect of democratic politics. Since last year, Yantai city has been trying to establish a new socialist commodity economic order at selected places. They have established 41 legal systems in five aspects, namely, rectifying the relationships between various trades and professions in society, implementing the principles of exchange at equal values and equal

competition, establishing a new system of enterprises, developing economic control systems and checking and balancing mechanisms, and maintaining the honesty and integrity of party and government organs. Of these 41 systems, 24 have already been put into application and achieved gratifying results. For instance, the provincial party committee and government have formulated a 12-point "regulation concerning honesty and industriousness on the part of leading cadres at the provincial level" to facilitate mass supervision and set an example for leading party and government cadres at various levels. Practice has proven that only when we have paid attention to the establishment of legal systems and the necessary safeguards will we be able to ensure the regular, stable and scientific development of economic and social undertakings.

**Cultivate spiritual support by strengthening stimulation.** In the course of reform over the last 10 years, we have upheld the principle of distributing material benefits according to work and have thus effectively aroused the enthusiasm of the masses. This principle is absolutely necessary and should continue to be upheld. At the same time, we must also cultivate spiritual support and stimulate the people politically and ideologically so they will dedicate themselves to the four modernizations. This is also an important task in the development of socialist democratic politics. If we analyze a number of units which have done well in building material and spiritual civilization, we will discover that they are more advanced because they have spiritual stimulation. In the light of the actual conditions in Shandong, we have promoted the following five spirits around the slogan of "building the four modernizations and bringing prosperity to Shandong." These five spirits are: the spirit of patriotism, the spirit of national dignity, self-confidence and self-improvement, the spirit of dedication to the four modernizations, the spirit of being trial-blazers in reform and innovation, and the spirit of waging hard and tenacious struggle. Government offices, enterprises, schools, neighborhood organizations, and villages are asked to cultivate these spirits and to develop their own unique spirit and style that is rich in cohesiveness and full of vitality. When this task is grasped well, it will form an enormous spiritual force that can promote the four modernizations and guard against the corrosive influence of decadent ideas.

**Strengthen the construction of grassroots organizations by improving their operating mechanism.** Grassroots organizations are bridges linking the party and the government on the one hand and the masses on the other. They are also organizers of the actual implementation of various tasks. Their performance has a direct bearing on economic development and social stability. In developing dynamic democratic politics at the grassroots level in the urban and rural areas, the key lies in the construction of grassroots organizations, particularly in the building of leading bodies. There are these sayings among the peasants: "In changing the mountains and rivers, it is people who first need to be changed. In

changing the people, it is the leaders who first need to be changed." "Rather than getting help in the form of money and material resources, why not help us build a good party branch?" Over the last 2 years, Shandong has done considerable work in strengthening the construction of grassroots organizations and achieved gratifying results. Through the simplification of administration and delegation of power, Laiwu city handed over to the local authorities 23 of the 26 branch organizations established by the city in various towns and townships, thus strengthening the functions and powers of these towns and townships. With these organizations as the basis, some 270 entities providing serialized services have been established. These have effectively promoted the development of the commodity economy and forged close ties with the masses of peasants. Through organizing party members to undergo winter training, encouraging the masses to appraise the performance of party members, rectifying the grassroots party organizations and sternly dealing with those party members who have failed to pass the tests, Linqu county has managed to change the backward appearance of 19 party branches, dealt with 325 party members who have been disqualified, improved the quality of the party organizations and party members, and increased the cohesiveness and fighting capacity of the party to the warm acclaim of the masses. Last year 1,800 peasants from this county applied for party membership. As a result of vigorously grasping the building of grassroots party organizations, this county was able to work with increased vigor in various other fields. For instance, in spite of the severe drought, they reaped a bumper harvest, increased their grain output by 17.5 million jin, raised the per capita income of peasants to 550 yuan, and shook off poverty 3 years ahead of schedule. Cases filed by means of letters and visits also dropped by 44 percent compared with the previous year. In order to strengthen work at the grassroots level, some cities, prefectures, and counties even transferred government cadres to take overall charge of villages. According to incomplete statistics for 11 cities and prefectures, in the last 2 years or so as many as 22,084 cadres have gone down to grassroots units below the county level to take up concurrent posts, perform assigned duties, and provide assistance. The provincial party committee has already decided to send experienced and promising cadres who are in their prime to work in grassroots units in the urban and rural areas this year. Their main task will be to help those towns, townships, villages, neighborhood organizations, enterprises, and establishments which have done poorly in their work at the grassroots level and are economically backward so these units will be able to change their backward appearance. It is quite apparent that in order to build a clean government and promote economic prosperity, it is necessary to transfer high-ranking cadres, authority, and services to the grassroots level, truly do a good job in building grassroots level party and government organizations, and strengthen and improve the operation of grassroots level work.

### Some Impressions and Understandings

From recent practice we have gained the following deep impressions and understandings:

**The development of democratic politics is an important means of resolving the many economic and social contradictions.** As our reform is at an important juncture of the replacement of the old systems by the new, many of the drawbacks of the old systems are becoming more and more manifest, and economic and social contradictions are expressed in concentrated ways. To resolve the contradictions arising in the course of advance, we must deepen the reform of the economic systems and develop new mechanisms of economic operation as quickly as possible. At the same time, we must also do a good job of reform in the superstructure and step up the development of democratic politics in order to keep up with the changed economic basis. This is a fundamental means of resolving existing contradictions. Some localities and units which have done well in the development of democratic politics have not only resolved contradictions in the economic realm but have improved the relations between the party and cadres on the one hand and the masses on the other. In these places and units, the work style of the party, the government and the people has steadily improved and a "micro-climate" of clean government and social stability has taken shape. If this is done in the whole province, then a good "meso-climate" will definitely develop. We can say that socialist democratic politics is the key to many social and economic problems and is the answer to many "incurable" maladies. Lenin once pointed out: "Socialism that is full of vigor and creativity can only be built by the masses of the people themselves."<sup>2</sup> Socialist democratic politics has immense vitality because it provides the necessary conditions for the masses of the people to give full scope to their latent wisdom and ability. We must fully understand this point. Accordingly, we must consciously grasp the policy of reform and opening the country to the outside world and develop the planned commodity economy on the one hand, and grasp ideological and political work and step up the development of democratic politics on the other. By closely integrating and simultaneously conducting economic and political work, we will be able to inject new vitality into the four modernizations.

**The development of democratic politics must evolve around the central task of economic construction.** Persisting in taking economic construction as the central task is the fundamental policy formulated by the party at the 3d plenary session of the 11th CPC Central Committee. The development of democratic politics must serve this central task. In Shandong province, democratic politics is developed in different ways in different places. Despite the differences in their points of breakthrough and emphasis, the approach taken by different localities has one point in common, and that is, they all proceed from problems arising from the reform of the economic systems and economic development and are not without specific targets. Their methods are in conformity with

the wishes of the masses and the needs of the development of the productive forces. They will produce actual results, enhance the confidence of the cadres and masses in reform and construction, and stimulate the initiative and creativity of the people. If we move away from the central task of economic construction when trying to develop democratic politics, we will depart from the correct path and meet with undesirable consequences. For a long time before the 3d plenary session of the 11th CPC Central Committee, our lop-sided emphasis of the negative role of the superstructure and "leftist" practices such as "taking class struggle as the key link" and "putting politics in command of everything" had pushed China's economy to the brink of collapse and produced political unrest. We must learn our lesson. When we measure and judge the success or failure of the development of democratic politics, we must persist in taking as our fundamental yardstick whether or not the work done is conducive to arousing the enthusiasm of the masses and conducive to the development of the productive forces. In actual work, we must emphasize that democratic politics must be in the service of economic development and that reform in the realm of the superstructure must be in keeping with the current stage of the development of the productive forces, neither going too far ahead nor lagging behind.

**Democratic politics must be developed positively and steadily under party leadership.** Democratic politics must be developed in a social environment of stability and unity. There is no democratic politics without a stable political situation. We must learn from the bitter lesson of trying to develop "big democracy" without party leadership during the Cultural Revolution and must take a clear stand in our opposition to turmoil. The maintenance of social stability is a task of overriding importance at the moment. The development of democratic politics must be attained under the unified leadership of the CPC Central Committee, with party organizations at various levels carrying out the work in a well-led, systematic, and step-by-step way in the light of actual conditions. We must do our work in a down-to-earth manner, pay attention to actual results, and guard against formalism and headlong actions. The more we want to develop democracy, the more it is necessary to strengthen party leadership and bring the role of party organizations and party members into full play. Facts, past and present, tell us that having the CPC as the ruling party has been the only possible choice for the Chinese people who have gone through a prolonged period of difficulty and paid a great price. Although our party has made mistakes and is not free from faults, it has the strength to rectify itself. At present, our party has found the correct line, and its experience in exercising its leadership is richer than ever before. Besides, the majority of party members and party organizations at various levels are good and have strong combat power. The party is fully capable of leading the people in establishing and improving a dynamic system of democratic politics while developing the socialist commodity economy. Hoping to shake off party leadership, change the ruling

position of the party and copy the "multi-party system" of the West is not in accord with the conditions of China and is destined to fail.

**The socialist orientation must be upheld in the development of democratic politics.** Compared with feudal autocracy, capitalist democracy is a step forward in the history of mankind. Socialist democracy, on the other hand, essentially renounces and excels capitalist democracy. Socialist democracy is beyond the reach of capitalist democracy in terms of its breadth, depth, and thoroughness. Through constant replenishment and readjustment over the past centuries, capitalist democracy has gradually developed a complete set of rules and regulations for the protection of private ownership, particularly the relations of production based on the interests of the capitalists. Socialist democratic politics is essentially a more advanced and superior system because it protects the public ownership of the means of production and the fundamental interests of the people. Due to "leftist" mistakes and the constraints of ossified systems, this superiority has not been brought into full play. As the reform of the economic and political systems deepen, the immense potential of this superiority will gradually manifest itself. We must not mechanically copy the political system of the West simply because they have some advanced managerial experience that is worth learning from, much less must we give up in despair just because it will be some time before we can have a perfect democratic political system. Provided that we will uphold the four basic principles, persist in reforming the economic and political systems, and develop democratic politics in real earnest, we will have a bright and heartening future.

**Democratic politics is the end rather than the means.** The 13th CPC Congress pointed out that in the initial stage of socialism, the fundamental task of our party is to lead the people of the whole country in turning China into a prosperous, strong, democratic, culturally advanced, and modern socialist country. Socialist democracy is an important guarantee for building a strong and modern country. It is also an indispensable component of modernization. Without socialist democracy, our four modernizations will fail. In the past, because we knew little or nothing about democratic politics and were one-sided in our understanding, we often regarded democracy as the means or method rather than as our goal and task. We thus lacked the necessary awareness. In the course of practice, we have deeply realized that democratic politics with the people in charge is not just an effective form and means of mobilizing and organizing the people in carrying out the four modernizations—it is also the inherent demand of the people in realizing self-emancipation and self-improvement, and is the basic right which the people are entitled to. On this question, we should deepen our understanding, correctly appraise the important position and role of democratic politics in building socialism with Chinese characteristics, and more consciously unremittingly grasp this brand-new cause.

Our province has made some headway in the course of exploring ways and means of developing democratic politics. However, we can only say that we have made a good start, for a lot of arduous and painstaking efforts remain to be done. We must follow the guidelines of the CPC Central Committee, continue to explore and practice on the existing basis, push forward the development of socialist democratic politics in a down-to-earth manner and strive to achieve even more tangible results.

#### Footnotes

1. *Selected Works of Deng Xiaoping*, p 293.
2. *Collected Works of Lenin*, Vol 26, p 269.

**Improve and Develop the Enterprise Contract System in the Course of Improving the Economic Environment and Rectifying the Economic Order**  
*HK2906075389 Beijing QIUSHI [SEEKING TRUTH] in Chinese No 11, 1 Jun 89 pp 10-14*

[Article by Zhang Yanning 1728 1750 1337]

[Text] Starting from the first half of 1987, the enterprise contracted management responsibility system has been popularized throughout the country. This is a major progression in enterprise reform in our country. Under the guidance of the theory on the separation of the two kinds of power, this has enabled the broad masses of enterprises to make further progress in the establishment of the mechanisms of incentive, competition, risks, and constraint. This is a matter of great significance to enlivening enterprises, stabilizing the economy, increasing financial income, and promoting reforms in other aspects.

As far as relations between the state and enterprises are concerned, at first the method of delegating power and yielding profits was adopted. Later came the implementation of the contract system. Matters which were formerly monopolized by the government have been gradually handled by enterprises, and direct management by the government has been turned into a management mainly based on contracts. To a certain extent, enterprises are no longer subsidiary bodies of the administrative departments. Enterprises have some power in hand to independently handle their own finances. Mandatory planning has been considerably reduced, and the majority of enterprises can make a decision on their production output in accordance with the marketability of their products. Enterprises can work out their plans for production and operation, and have the power for investment. The majority of enterprises have set their eyes on the market. Price control over small commodities has been lifted, and the prices of some industrial consumer goods are set by enterprises themselves under the guidance of the state.

As far as the enterprises leadership system is concerned, shortly before and after the promulgation of the "Enterprise Law," more than 90 percent of the state-owned enterprises implemented a factory director's responsibility system, and the key position of factory directors in enterprises has been recognized. Relations between administrative departments, party organizations, and representative assemblies of workers and staff members have been straightened out. The previous factory director's responsibility system under the leadership of the party committee has now been basically changed into a factory director's responsibility system, and the system of production, operation, and command with the factory director as its center has been established. A new leadership system characterized by a factory director fully responsible for the production and operation of his factory, the party playing its supervisory role, and democratic management of workers and staff members, has been initially established.

As far as operational mechanisms inside enterprises are concerned, we know that various kinds of supporting reforms have been gradually deepened. The state has delegated the power of setting up subsidiary organs to enterprises. In accordance with their peculiarities of production and operation, enterprises can decide on the establishment of their subsidiary organs, and life-long tenure in leading positions has come to an end. The fixed wage system has been changed. In recruiting new workers, the labor contract system has been widely followed. In some enterprises, optimization of labor organization has been carried out. Within the scope permitted by state policy, enterprises are allowed to independently and flexibly decide on the methods for distribution, wages, and the links between bonuses and economic results. The "iron rice bowls" are being broken. Enterprises have established an economic responsibility system which has enabled them to arouse the enthusiasm of the operators, workers and staff members, to enhance their vitality, and to integrate their responsibility, power, and interests.

Regarding the changes in the thinking of enterprise operators, workers, and staff members, we know that with the development of the socialist commodity economy, people's ideological concepts have also been gradually changing. Now enterprise operators, workers, and staff are thinking more about economic results, market demand, competition, better production output, and risks in production and operations. Through competition, a number of excellent entrepreneurs have grown up and become active forces in our social life.

In 1988, the contracting work of enterprises was carried out under extremely difficult external conditions. Due to overheated economic development, and other reasons such as price hikes, shortage of energy supply, funds, raw and processed materials, and so on, the normal production and operations of enterprises were directly affected. In the meantime, the state adopted some new policies and measures, and there were many factors leading to the



reduction of enterprise profits. Enterprises had to shoulder heavier burdens. Under such difficult conditions, the contract mechanisms worked, and further tapped the potentials of the broad masses of workers and staff members who did everything possible to increase production, practice economy, increase income, and reduce expenditures. More than 90 percent of enterprises fulfilled their contracts and their economic results also increased. Last year, the production output value of industrial enterprises covered by the state budget was 10.7 percent higher than 1987, and their profits and taxes turned over to the state increased by 17.4 percent. The profits and taxes paid by more than 9,000 medium-sized and large enterprises under ownership by the whole people were 20.8 percent higher than 1987. In addition, the contents of the contracts have been enriched, and greater progress has been made in supporting reforms. A number of brand new models of reform have come to the fore.

In a word, due to enterprise reform over the past 10 years, and the implementation of the contracted management responsibility system in particular, the enterprise system under traditional pattern of product economy has been initially abolished, and the new enterprise system under socialist commodity economy has been growing and developing. At present, judging from the degree of depth of the reform and the extent of enterprise invigoration, our enterprises generally fall into the following three categories. First, township and town enterprises, enterprises run by the "three kinds of capital," and private enterprises carry out their operations independently, and assume sole responsibility for profits and losses. Second, state-owned enterprises in the special zones, and a small number of medium-sized and large enterprises which started early and have done well in implementing the contract system, have been invigorated to a considerable extent. But they have to do something before they can carry out their operations independently, and assume sole responsibility for profits and losses. Third, the majority of enterprises in general have been initially invigorated. However, due to the fact that their market conditions are not perfect, that their macroscopic regulation and control are restricted, that their operational mechanisms have not been fully established, and that the quality of their management and administration is not good enough, they have been far from attaining the goal of independent operation and of assuming sole responsibility for profits and losses. A fairly great number of these enterprises are in a difficult position. Their profits are meager, or they lose money in their business. Some of them are even on the brink of bankruptcy. As a whole, at present enterprises in our country are still facing the coexistence of the two systems. The replacement of the old system by the new one is far from being completed.

At present, there are still strains on funds, raw and processed materials, energy, and communications, and the external conditions of enterprises are still severe. Enterprises must focus their attention on doing well in

implementing the contract system, and further popularizing good experiences and good methods which have proved effective on the basis of consolidating and improving what they achieved in the past. For the measures taken by the state for regulation and control to be implemented, and the task of improving the economic environment and rectifying the economic order to be completed, will depend greatly upon the role the enterprises play. Two years ago, the contract system played an important role in overcoming difficulties and in checking the decline of financial income. In the future, in the course of implementing the guiding principle of improvement and rectification, readjusting production setups, boosting the reserve strength of enterprises, increasing effective supplies, and arousing the enthusiasm of enterprises, workers, and staff members, we should rely on supporting reforms to perfect, deepen, and develop the contract system.

To deepen enterprise reform, we should adopt relevant countermeasures to deal with problems and difficulties arising in the implementation of the contract system.

1. Base figures of contracts must be reasonably fixed. This is work with heavy policy implications involving correctly handling the interests of the state, the enterprises, and the workers. Last year, more than 90 percent of contracted enterprises fulfilled their contracts. This showed that base figures of contracts fixed by various localities were basically reasonable. In particular, with regard to enterprises which are run on the basis of public bidding, their base figures must be more reasonable. Of course, due to carelessness or insufficient experiences, the contractual base figures set by a small number of enterprises are too high or too low. The contracts of 17 percent of our enterprises this year and 60 percent next year will expire, and new contracts will be concluded. Taking this opportunity, we should further fix the base figures of contracts on a reasonable and scientific basis. We believe that the figures should be fixed in accordance with the industrial policy of the state and the terms of the relevant contracts in light of the profit rate on capital and net value of wages in areas, cities, trades, and services concerned. We should try our best to fix the base figures of contracts on the basis of public bidding. Regarding those enterprises whose contracts have not expired, the base figures of their contracts must not be changed. As for those enterprises which are implementing a rolling [gun dong 3340 0520 contract system, their base figures can be readjusted in light of specific conditions.

2. Contracts must be conscientiously honored. This is an important link for persisting in the contract system. According to statistics compiled by various localities, last year about 10 percent of our enterprises failed to fulfill their contracts. Last year, although the external environment changed greatly and commodity prices increased drastically, various localities accumulated some good experience in properly amending their contracts in the course of honoring them. This demonstrated

the seriousness of the contracts and the flexibility of our policy. These experiences can be summarized as all-round review, persistence in honoring contracts, reasonable guidance, and necessary amendments in light of the practical situation. All-round review means that auditing should be carried out before relevant contracts are honored to avoid inflated profits or actual losses in business. Persistence in honoring contracts means that all contracts, in principle, must be honored whether they have been fulfilled or not. Our attention must be focused on dealing with the issue of honoring contracts which have not yet been fulfilled. In 1988, there were 22 enterprises in Beijing which failed to fulfill their contracts. According to the terms of the contracts, they were 29.026 million yuan in arrears and through various means, they have already paid 16.609 million yuan. The remaining amount of money was handled in the following ways: getting credits, contracting the relevant enterprises to other enterprises, merger, or amalgamation. With regard to enterprises which failed to fulfill their contracts, the incomes of their operators and workers and staff members were lowered in accordance with the terms of contracts. The wages of workers and staff members in 14 enterprises were reduced by 2.25 million yuan, which affected 13,500 workers and staff members. The per capita reduction was 188 yuan. Necessary guidance means that guidance in terms of policy should be provided with regard to the distribution of profits retained by enterprises, so that they will use more money to develop production and to establish wage reserve funds and risk reserve funds connected with relevant contracts. Amendment in light of practical conditions means the methods for handling enterprises whose "profits have increased drastically," and enterprises whose "profits have dropped heavily." There are three kinds of situations regarding enterprises whose "profits have increased drastically": first, increasing profits by a big margin by relying on real capability and hard work; second, gaining extra profits during the purchase panic last year; third, the previous base figures of contracts that were too low. Regarding these three kinds of situations, various localities adopt different methods to deal with them. If enterprises earn their profits by relying on their real capability and hard work, they can, in principle, retain their profits. But the proportion of their production development funds should be increased. If enterprises gain their extra profits by relying on price hikes, some of the profits must be turned over to the state in light of actual conditions, or the proportion of their production development funds will be increased. With regard to enterprises whose base figures are obviously too low, the readjustment is made through the method of gradually turning over more profits to state. With regard to those enterprises whose "profits drop heavily," the principle of making up for the losses by relying on their efforts must be stuck to. They must make use of their funds, or risk mortgage money to make up for the loss. If it is still not enough to cover the loss, they must try to raise funds, or adopt the method of getting credit. But they must pay back the money during the next fiscal year. When the normal production of some enterprises is

seriously affected and their profits drop by a big margin because of an excessive increase in the prices of raw and processed materials, severe shortage of energy, or other external reasons, some localities handle this kind of situation in light of these actual conditions.

3. The method of inviting tenders on a competitive basis must be widely popularized. This method has injected vitality into the contracted enterprises, and the significance lies in the fact that good operators can be selected, and contract plans can be optimized. This will promote enterprises to reform their personnel system. Now 34 percent of enterprises have been contracted through inviting tenders on a competitive basis. During this year and next year, the contracts of 80 percent of our enterprises will expire. We must seize the opportunity of concluding new contracts to grasp well the work of contracting medium and large enterprises through inviting tenders. We should do our best to standardize and systematize our work, and reduce administrative interference.

4. We must do well the work of all-personnel risk mortgage (quan yuan feng xian di ya 0356 0765 7364 7145 2107 2131). Experience in some localities and enterprises has shown that the work of all-personnel risk mortgage can increase to a certain extent the consciousness of workers and staff members of participating in management, maintain close ties between operators and all workers, and strengthen the rallying power of enterprises. This is helpful to the establishment of the risk mechanism. At present, enterprises which set their eyes on the market and participate in the competition in domestic and overseas markets are facing certain risks in their operations. We particularly stress the work of all-personnel risk mortgage in enterprises whose external conditions are changing greatly, so that risk mechanisms can truly play their role. This will enable operators and workers to take risks together. Mortgage money can be used as supplementary circulating funds. When a contract cannot be fulfilled, mortgage money is used first to cover the loss. When a contract is fulfilled, a portion of the profits can be taken out and earmarked as risk income. We must prevent the act of taking risk mortgage, and short-term mortgages in particular as a means of increasing consumption.

5. We must strengthen enterprise constraint mechanisms. Establishing enterprise constraint mechanisms is a long-term task of enterprise reform. In the course of improvement and rectification, it is particularly important for enterprises to establish and perfect their constraint mechanisms. Since the implementation of the contract system, some enterprises which have done well in this regard, and medium-sized and large enterprises in particular, have conscientiously followed contract rules and regulations, paid attention to developing their reserve strength and controlling consumption, attaching importance to social effects and results, and valuing the prestige and reputation of their enterprises. They have made achievements in establishing their own constraint

mechanisms. Enterprises must work out their long-term strategy for development, and closely link contract periods, factory directors' terms of office, and long-term strategies for development together. In accordance with their long-term strategies for development, enterprises must set their scientific contract targets, so that the operational activities of enterprises will have something to follow, and will be constrained. In accordance with these targets, enterprises must continue to improve their economic responsibility system, strictly enforce financial discipline, avoid off-the-book funds, strengthen financial management, run banks inside factories well, perfect supervisory and auditing system inside enterprises well, and give play to the supervisory role of the party committee and democratic management of workers and staff members.

6. We must grasp well supporting reform and management of enterprises. To deepen internal reform, enterprises must continue to grasp well the reforms of their leadership system, distribution system, and personnel and labor system. They must actively and steadily promote the work of optimizing labor organization and the structure of management personnel. They must also rationalize the structure of labor organization and the assignment of working personnel. This will give rise to a system which ensures that workers compete with each other at their own posts, and that their incomes are determined by their own contribution. Under the condition that our social security system has not yet been perfected, enterprises must mainly rely on their own internal arrangements to tap their potential for providing jobs for redundant personnel and not force this contradiction upon society.

In the course of reform and opening up, it is most important for us to strengthen enterprise management. Our enterprises are facing two problems: systems and management. If the problem of enterprise system cannot be solved, it is impossible for us to invigorate enterprises. If we fail to reform the enterprise system, and promote management, it is impossible for the new system to demonstrate its strength. Therefore, while implementing the contract system, we should grasp well management, and the management of key medium-sized and large enterprises in particular. Now the problems of the waste of qualified personnel, lax labor discipline, high material consumption, low efficiency in the use of capital, and so on, have existed in our enterprises. We should study and solve these problems through management. We should work out specific measures to persistently grasp the problems, so that we can make achievements in this regard.

7. We should perfect the contract system in the trades. A trade contract system means contracts governing the investment and production of a trade in accordance with the industrial policy of the state with the aim of guaranteeing technical reform and progress in the trade, and giving play to the overall efficiency and strengths of the trade. At present, in the course of perfecting the contract

system in trades, we should: first, guarantee the efficient investment and strengthen the reserve strength of the trades, and integrate their present achievements with their long-term development; second, enterprise contract system should also be carried out inside a trade, and the practice of "eating out of the same big bowl" in the trade must be abolished. We must resolutely delegate power, which must be delegated, to enterprises in order to arouse the enthusiasm of enterprises.

8. We should pay attention to the training of workers and staff members. This is the key to improving the quality of our enterprises. The work of training cadres, workers, and staff members must be regarded as an important task for the development of enterprises, be included in the system of responsibility for targets to be met during a factory director's term of office. The work should be regularly reviewed. To solve the problems in the weak links of enterprise production and operation, on-the-job training is needed in order to enhance the workers' cultural, technical, and ethical quality. We should give play to the role of training centers to train various kinds of personnel. We are studying the establishment of the system of the "certificate for the qualification of contract operators." We should first train those potential bidders before inviting public biddings in order to enhance the quality of those bidders and ensure their prestige.

In the course of grasping well the work of perfecting and developing the contracted management responsibility system in enterprise reform, we should also conduct well the experiments in promoting the merger of enterprises, developing enterprise groups, implementing share systems, and separating taxes from profits. The general requirements for merging enterprises are: making the best use of the situation, promoting the work actively, developing from an isolated point into a whole area, and expanding the work gradually. We should truly provide more guidance for the merger of enterprises. The principle of "promoting the best and eradicating the worst" must be reflected in various policies. With regard to those enterprises which are to be merged, we should stop the measures of reducing tax, yielding profits, and providing subsidies and concessional loans for them, so that they will accept the merger. The policy of taking from the fat to pad the lean should be changed into promoting the advanced and eliminating the backward. Our preferential policy must be applied to the merger of enterprises. We must support stronger enterprises which merge other weaker enterprises in terms of finance, taxes, loans, distribution of energy, raw and processed materials, and so on. We should guide the merger in accordance with state policies, and support those enterprises which conform with state policy to merge other enterprises in other trades, or departments, or of a different ownership system. We should make proper arrangements for workers and staff members of those enterprises which are merged, and treat them equally without discrimination. However, we should also avoid the recurrence of the practice of "eating out of the same big pot." We should transplant a series of good mechanisms of stronger

enterprises to those weaker enterprises, so that they will rely on their own efforts to enhance their economic results to increase the wages and improve the welfare of their workers and staff members.

We must experiment with the share system in accordance with the unified rules and regulations of the state. According to incomplete statistics, by the end of last year, there were more than 3,800 enterprises under public or collective ownership which implemented the share system on a trial basis. Some 80 percent of the shares of these enterprises were held by their workers and staff members, 13.5 percent were held by other enterprises, and 1.5 percent were openly issued in the society. The experiment has played a certain role in defining property rights of enterprises, raising funds, and promoting the rational flow of production factors. However, there are also many problems occurring in this regard. The main problems are: The majority of enterprises permit withdrawal of shares, and the repayment of the principal and interest without taking any risk. This is actually debenture shares. Besides, when implementing a share system, some enterprises failed to evaluate their assets, or deliberately underrated the state-owned assets. Different interest is paid for the same kind of shares. There are three kinds of rights for the state, legal entities, and individuals. There are also three kinds of dividends. Some enterprises have regarded the share system as a means for purely raising funds, without making efforts to establish their new operating mechanisms. The interest rate of shares of some enterprises are much higher than their profit rate on capital. In addition, nothing systematic has been done with regard to the external environment. First, there are not unified rules and regulations to follow; and second, there is no stock market. There is no organ responsible for dealing with the matter of an increase in value of shares.

Regarding our guidance thinking for the experiment of the share system, the following principles should be followed. First, we must not set any targets, or do things hurriedly, or rush headlong into mass action. The experiment must be conducted on a small scale with good quality ensured. Second, no preferential treatment should be given, and attention must be paid to changing operational mechanisms of enterprises. Third, experiments must be conducted in accordance with the unified rules and regulations of the state, and the practice of each going its own way must be avoided. The basic rules and regulations for the share system must not be diversified. There are three kinds of experiments for the share system in our country. First, the experiment of shares held by workers and staff members of the enterprises concerned. Second, the experiment of shares held by other enterprises. Third, the experiment of shares openly issued in the society. During this year and next year, our attention must be focused on the first two kinds of experiments. In the meantime, we can select a small number of medium-sized and large enterprises in which the third kind of experiment will be conducted. This kind of experiment should be carried out in one or two

cities. In the meantime, experiments in establishing a stock market, the valuation of assets, the management of the state-owned assets and its operating organs, and so on, should also be conducted. After gaining experience from the experiments, and systematizing basic rules and regulations, our experimental work can be properly expanded.

At present, various localities should make a conscientious analysis of the enterprises which have been implementing the share system on a trial basis. Those enterprises which do not follow the basic rules and regulations of the share system must not be regarded as shareholding enterprises. Some enterprises have basically conformed with the basic rules and regulations, but their system is not perfect. They must make efforts to perfect it. At present, we should devote our efforts to solve the following problems: First, we should make it clear that "shares" whose principal and interest are repaid within a certain period of time, and which can even be withdrawn, are not shares, but "debenture shares." If conditions exist and the holders of this kind of "share" agree, the relevant enterprises may amend their basic rules and regulations in accordance with the requirements of the share system. They should make it clear that withdrawal of shares is not allowed, so that the risk mechanisms of shareholding will play their role. Second, with regard to those enterprises which have not evaluated their assets, or have unreasonably evaluated, or have underrated the state-owned assets, they must make their revaluation in the allotted time to prevent the loss of the state-owned assets. Third, enterprises under ownership by the whole people are not allowed to distribute without authorization the state-owned assets to operators, individual workers and staff members, or the collectives in the name of the implementation of the share system. With regard to the state-owned assets which have been illegally distributed, they must be returned to the state in accordance with the stipulations of the State Council. Fourth, the situation of the three kinds of rights for the state, legal entities, and individuals, and the three kinds of share dividends, should be corrected, and all matters regarding shares should be handled in a unified way. Fifth, it should be stipulated that the interest rate of shares must not be higher than the profit rate on capital after taxes. In the meantime, dividends must not be included in the principal. Sixth, to enhance people's understanding of the value increase of capital, it should be stated that internal transfer of shares is allowed. In the meantime, the actual value of assets represented by shares should be regularly announced, in order to shift people's attention from their expectation of high dividends to the increase of the value of the shares.

#### **Exploration Into Reform of Urban Collective Enterprises**

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[Article by Chen Xiaomei 7115 2556 2734]

[Text] At present, as with enterprises owned by the whole people, urban enterprises owned by collectives are facing

the primary task of promoting their development through reform. However, people have not yet paid sufficient attention to this issue. Many people still approach the collective enterprises in our country from the traditional viewpoint, and neglect the fact that the collective enterprises can seek further development only through their internal reform. In this article, I would like to explore this issue.

### **Why Should Reform Be Carried Out in Urban Collective Enterprises?**

Since the founding of the people's republic, the development of the urban collective economy has traversed a long and tortuous course. Before 1978, the main obstacles to the development of the urban collective economy came from the leftist ideology which stressed a high degree and a large scale of public ownership, and the leftist policy which again and again leveled off enterprise assets by transferring one's property to another without compensation and which interfered in enterprise management. In those years, it was often attempted to simply turn the collective enterprises into state-run enterprises owned by the whole people. The leftist practice seriously dampened the enthusiasm of the workers in the collective enterprises, as the enterprises could be established only because they raised and pooled the funds themselves and they relied mainly on their own strength. Thus, the urban collective economy was impeded from developing rapidly. By the end of 1978, the output value of the urban collective enterprises accounted for only 13.9 percent of the national industrial output value; and the sales of these enterprises accounted for only 7.4 percent of the total volume of retail sales in the whole country. Most of the 72,000 collective industrial enterprises in towns and cities were subject to the direct management of the government departments concerned, with their profits and losses being completely borne by these government departments. So they were called "secondary whole-people-owned enterprises" or "large collective enterprises." Practice in recent years has shown that reform in these old collective enterprises is as difficult as reform in enterprises owned by the whole people. Even at present, the property rights in the old collective enterprises are still not clearly defined; they are still subject to excessive interference by the government departments in charge; their internal structure is still unwieldy; and they still lack motivation and incentive. How should the old collective enterprises really be run according to the character and requirements of collective ownership, and what road of reform should they take? This remains an issue that we need to study and solve.

Since the 3d Plenary Session of the 11th CPC Central Committee, because state policy encouraged the development of economies under different ownership systems, as an important component part of the socialist public economy, the collective economy has developed rapidly by leaps and bounds. In 1987, the number of urban collective industrial enterprises and the number of

workers employed by these enterprises were respectively 2.65 times and 1.73 times as large as those in 1978. The output value of the collective industrial enterprises accounted for 14.8 percent of the gross national industrial output value; and the sales of the collective commercial enterprises accounted for 19.5 percent of the total volume of retail sales in the whole country. However, do the new collective enterprises founded in recent years also face the task of reform? Yes. The most important reason is that apart from a very small number of collective enterprises which were spontaneously organized by the masses, most new collective enterprises are still affiliated, to differing extents, to various enterprises owned by the whole people or to various government departments in charge, and we can even say that there are no really independent collective enterprises run by only the masses among the industrial enterprises in some cities. The new collective enterprises founded in recent years represent a new product of the special economic and political environment in our country's towns and cities. They emerged from the womb of the enterprises and economic institutions owned by the whole people, and grew in the overlap between the old and the new systems. Although they developed rather rapidly, they still have many inborn weak points, which are mainly as follows:

First, the motive of founding these enterprises is complicated. A large number of new collective enterprises were founded in 1979. At that time, in order to deal with the serious unemployment problem in towns and cities, the state called on "running collective enterprises by the whole people." Then, all trades and units began to set up collective enterprises to provide jobs for jobless young people, especially the children and relatives of their own workers. This was taken as a compulsory task. Even now, in some localities where arranging employment remains a major task, founding and developing collective enterprises is still regarded as an important way to solve the employment issue. In other cases, when the urban district governments tried to raise more administrative funds, when schools tried to increase educational funds, when various institutions tried to improve welfare benefits for their employees, and when research institutes tried to increase research funds, they were all enthusiastic about founding and running collective enterprises. Against this background, it is inevitable that the new collective enterprises will give more consideration to the needs and interests of various social groups to which they are subordinate. This will affect their normal economic behavior. Now, we can see that many collective enterprises still mainly act as "job suppliers," lack a profit-making incentive, and lack motivation for internal accumulation and expansion.

Second: mostly dependent, little independence. The new collective enterprises founded in recent years are still not independent enough and are still strongly attached to larger state-run enterprises or government institutions. When a new collective enterprise is set up, it must be

attached to a certain institution as its "backstage supporter." If this backstage supporter is rather powerful, the enterprise will have more convenient means of procuring raw materials, marketing products, and obtaining credit facilities from the banks. On the other hand, in order to establish and develop a collective enterprise, the parent institution must offer substantial financial, material, technological, land, and manpower assistance to the new enterprise. So the new collective enterprise will inevitably have to obey the parent institution for a long time. At most, the new collective enterprises can act only as relatively independent economic entities. The relationship between them and their parent institutions is quite similar to the relationship between the state and the state-run enterprises. The degree of self-determination the management of the new collective enterprise has will depend on how enlightened the leaders of the parent institutions are. Along with the in-depth development of the structural reform and along with further economic development, there will be more and more obvious contradiction between many collective enterprises which try to operate more freely and their parent institutions which continue to control their operation. The collective enterprises will try to win greater independence and autonomy in business management by repaying their debts to the parent institutions. If the state does not give explicit policy guidance for their relations and carry out corresponding inspections, the confusion of property rights will cause more problems and seriously hinder the further development of the collective economy.

Third, the management model of the enterprises owned by the whole people still seriously influences the collective enterprise. Most of the new collective enterprises were established by state-run enterprises and government institutions, which did not thoroughly free themselves from the longstanding influence of the old management model and did not really understand the character and requirements of the collective enterprises. So the old management system in the whole-people-owned enterprises were applied wittingly or unwittingly to the collective enterprises. For example, the collective enterprise founded by a good many large and medium-sized state-run enterprises are treated as workshops or branch plants of the mother enterprise, and the manager of the collective enterprise is in fact a midlevel cadre appointed by the parent enterprise. In many collective enterprises, management sections and offices were set up in line with corresponding management sections and offices in the parent enterprises, and this often results in an unwieldy structure and overstaffing. Even in the collective enterprises founded by city and prefectural governments or the neighborhood authorities, if their scale is not small, the management structure of the whole-people-owned enterprises is completely copied, and the management in these collective enterprises lack dynamics and flexibility.

Fourth, workers in the collective enterprises still lack a sense of responsibility as masters. Most urban collective enterprises growing in the special environment in our

country are quite similar to the enterprises owned by the whole people, because their property rights are not clearly defined, their management is strongly attached to big state-run enterprises and government institutions, and they are heavily influenced by the management model of the enterprises owned by the whole people. Similarly, workers in the collective enterprises also generally lack the sense of responsibility as masters. Waste in these enterprises is serious. Workers are interested only in maximizing their personal income and have no interest in other affairs of the enterprises, leaving these to the care of the managers. Even in some very small neighborhood enterprises, people are keen only on seeking immediate benefits and neglect their long-term development. Although these enterprises face pressure from market competition and from their responsibility for profits and losses in the business, still, because of a certain dependency upon the parent organization, the workers do not really regard the property of their enterprises as their own property. They are used to an attitude of muddling along, and are not seriously concerned about the destiny of their own enterprise. Many cadres and workers now still lack any long-term plan, and just try to be transferred to bigger enterprises owned by the whole people.

These problems existing in the new urban collective enterprises show that like the old collective enterprises, they also face an arduous reform task. Obviously, with the in-depth development of the structural reform and the forming of the market system, such considerations as providing jobs and increasing collective incomes will gradually disappear in the running of the collective enterprises. However, if the collective enterprises continue to be so strongly attached to the institutions in charge and lack initiative, and if they continue to copy the management model of the enterprises owned by the whole people, they will not be collective enterprises in real terms. The focus of reform should be the adjustment of property rights and the establishment of new management mechanisms, thus turning the enterprises into commodity producers who can determine their own production and business and can really bear sole responsibility for their profits and losses. At present, many urban collective enterprises are earnestly exploring a new course of reform and development. With the support of the local governments and the institutions in charge, some enterprises have carried out bold reforms and innovations, and have restored the real features of collective enterprises. Some of them have adopted the joint-stock system or the cooperative system based on stock-holding; some of them have established conglomerates with the institutions which looked after them in the past; and some local governments (such as Anqing City, Anhui Province) have actively created favorable conditions to encourage the development of collective enterprises run by local people. The state authorities should pay attention to their experience.

### The Key Is To Adjust and Rationalize Property Rights

At present, because most collective enterprises are only relatively independent from the institutions in charge, thus, as to form of management, much like enterprises owned by the whole people, they adopt the management responsibility system, under which they sign management contracts with the institutions in charge. I do not think that this is a reasonable measure. At least, this is not in keeping with the character of enterprises under collective ownership. In practice, however, because the property rights are not clearly defined, plus many complicated factors in the old system, the collective enterprises have no other alternative but to adopt the management contracted responsibility system. Now this system seems rather resultful, but it cannot be taken as a permanent measure. Some collective enterprises have cast doubt on this system and have demanded that property rights be clarified and self-determining rights in managing production and business be restored.

What should be done in order to adjust and rationalize property rights? Many comrades hold that the objective of reform is to have all property be owned collectively by the working masses, and to restore a pure form of collective ownership. This viewpoint is not completely in line with the objective requirements of reform and the development of urban collective enterprises in our country. In real life, the property of collective enterprises comes from different sources. Some is provided by the institutions in charge; some is accumulated by the enterprises themselves; some comes from the investment of other collective enterprises; some comes from the state measures for tax reduction and exemption or from the financial subsidies of local governments; some is jointly owned with other enterprises when a combination body is formed; and some is the fund pooled by workers or raised from society. Of course, in most collective enterprises, a large part of existing assets comes from self-accumulation. Under these complicated circumstances, we need not seek a uniform model for all collective enterprises, but should explore various forms of ownership in light of the needs of production development in practice.

First, collective ownership enterprises. The nature of the ownership system would not change but they can adopt various forms and especially should emphasize the cooperative economy aspect. In general, these enterprises can be divided into two categories. The first category, familiar to most people, includes individual enterprises whose assets are owned mainly by the working masses in the enterprise. The second category is the type owned by a group; that is, the property rights of the enterprise are already held beyond the boundaries of a single enterprise, and are held collectively by the enterprises or the investors participating in the group. For example, in the past, some collective enterprises contributed funds for cooperative endeavors to associated organizations, which then used the funds to establish new enterprises. Thus, the new enterprises now are not owned by the

whole people, nor are they owned by workers of any single enterprise. They are still by nature collectively owned, but the collective ownership is of a larger scope; in other words, they are a unity formed by many individual enterprises. The form in which this enterprise's property rights are held—in the future this may depend upon the ratio of the union's investment to the enterprise's own capital,—based upon the requirements of the benefit to the expansion of production, may either become a shareholding system, or, through a debt repayment method, change from group ownership to ownership by the workers of a single enterprise.

Because in the second category of the collective enterprise, the assets are not solely owned by their own workers, it is inevitable that in running these enterprises, management rights and ownership rights are divided. The owner functions can be played by the management committee or the board of directors composed of representatives of all relevant institutions and units. The enterprise manager can be appointed by such organizations through open advertising and competition between applicants. In addition, some concrete management responsibility systems, such as the management contract system or the leasing system, can also be adopted in these enterprises. Even in the individual enterprises owned solely by their own workers, production managers can also be hired from competent people in society or elected democratically. Strictly speaking, in these enterprises, management is not separated from ownership.

Second, joint-stock enterprises with various economic elements. As mentioned above, due to the special conditions in our country, the property rights in the urban collective enterprises are diverse in character. If all parties concerned are willing to invest in the enterprises on a long-term basis so as to jointly share profits and undertake risks, then the enterprises should take the form of joint-stock companies. In particular, many collective enterprises share the same compounds, water, electricity, gas, and plant buildings, with enterprises owned by the whole people; their economic relations are extremely intimate; in these circumstances, the organizational form of a joint-stock company is favorable to both sides.

Under the conditions of a socialist commodity economy, the joint-stock system is a rather favorable organizational form for enterprises. It is favorable to the separation of management from ownership, and it can help cultivate a true entrepreneurial level and free enterprises from unnecessary administrative interference from government institutions, realizing the true separation of government and business. At the same time, as the manager must be answerable to the owners and also needs to arouse the initiative of the workers, he will naturally pay more attention to coordinating the enterprise's long-term interests and the workers' immediate interests and to overcoming short-term behavior. In our country, the property rights in many collective enterprises has in fact been diversified. We also have the



tradition of raising funds by issuing stocks. So there exist the conditions for adopting the joint-stock system as soon as possible in more enterprises. In short, we need not only try to restore the pure form of collective ownership, nor should we imitate the practice in the reform of the enterprises owned by the whole people to restructure the enterprise management system in the existing collective enterprises. Instead, we should proceed from the actual conditions and try to change the current situation, in which property rights and responsibilities are not clearly defined, in order to promote the rapid development of the urban collective economy in our country.

In both joint-stock enterprises and collectively owned enterprises, we should encourage workers to buy shares of their own enterprises. Facts show that if individual workers directly own part of the enterprise's assets, this will directly arouse the workers' initiative and enthusiasm. In particular, as most collective enterprises are small in size and possess relatively small assets, the amount of shares held by their own workers and the amount of dividends issued to these shareholding workers will play an important role in determining the development of the enterprises. Facts also show that if the assets are completely owned by the collective rather than being partly owned by individual workers, the enterprises under such pure collective ownership will lack vigor and motive force. The more shares held directly by individual workers, the more interest they will have in the business results and the production conditions of the enterprise. That is, the workers will be more concerned about the destiny of their own enterprise and will make more efforts to practice thrift, and they will have a stronger sense of responsibility as masters of their own enterprise. Under the premise of maintaining public ownership and the principle of distribution according to work, enterprises should be encouraged to issue an appropriate number of shares which are not negotiable on the stock market and bear no risk to their own workers. Or the enterprises can turn part of their profits into shares given to workers based on their work contributions and bonuses according to the quantity of shares they hold. This is an effective way to prompt workers to care about the operation of their enterprises and to arouse their work enthusiasm. Along with the development of the socialist commodity economy, the joint-stock system will take the organizational form of an enterprise mixed ownership system incorporating individual investments shares. In the future, enterprises under collective ownership are very likely to become cooperative enterprises owned by worker-shareholders or cooperatives. The workers pool funds to run the enterprises, while the enterprises pay them according to their work and also issue dividends to them according to the quantity of shares they hold. With the funds accumulated collectively, the enterprises can become independent economic entities. In this regard, we should learn from the positive experience of some foreign workers' cooperatives.

#### **Strengthen Overall Guidance, Improve External Environment**

At present, many comrades are not really aware of the actual conditions in the urban collective enterprises in our country. They think that the collective enterprises have been basically enlivened and, being different from the enterprises owned by the whole people, have long become commodity producers that can independently determine their own production and business and bear sole responsibility for their profits and losses. This, however, is untrue. Some other people regard the collective enterprises as insignificant in the entire economic reform no matter how their development condition is, and they pay attention only to the enterprises owned by the whole people. If people do not attach importance to this matter, they will certainly not be able to take effective measures. In reality, although the collective economy has held a more and more important position in the national economy, the whole country still lacks effective management over all these enterprises. There is still no leading organ especially responsible for studying and formulating the policies and measures for the collective economy and for supervising the implementation of the policies and measures concerned. There is no effective channel for the collective enterprises to report their problems to the authorities. The government departments mainly pay attention to the reform and development of the enterprises owned the whole people. The economic management departments, as well as the finance, taxation, banking, and labor departments, tend to guide and manage collective enterprises according to the model of the enterprises owned by the whole people. The current bankruptcy law, enterprise law, and labor contract system are all aimed at enterprises owned by the whole people. Some general problems in the reform and development of the collective enterprises have not attracted sufficient attention from the authorities and have not been solved. This state of affairs has caused strong resentment among collective enterprises in various localities.

Urban collective enterprises have to seek development through reform and need a favorable external environment. The most urgent issue at present is that the state should strengthen policy guidance and overall management for these enterprises, and should really attach importance to promoting the development of the collective economy. Why should this be done?

First, the center of our economic structural reform is to enliven enterprises, which certainly include the collective enterprises that account for over 80 percent of the total number of enterprises in our country. Of course, in the entire economic structural reform, the enlivening of large and medium-sized state-owned enterprises is of crucial importance. At the same time, the reform of the collective enterprises and especially the efforts to ensure that the collective economy will develop more quickly along the correct course by giving them more effective policy guidance are also of great strategic importance in



the overall structural reform and in the development of the national economy. This does not contradict the effort to enliven the large and medium-sized state-owned enterprises. When facing various problems in the internal and external management structure of the urban collective enterprises, we should make deepgoing investigations, formulate correct policies and regulations without delay, and seriously inspect their implementation. In particular, we should pay attention to reform inside the collective enterprises, sum up and spread positive experiences, and chart a clearer course for such reform. At the same time, we should properly coordinate the policies adopted by various departments and prevent them from contradicting each other, thus creating a positive external environment for enterprise reform. All this belongs to the function of the state authorities and their unshirkable duties. Facts prove that in localities where proper policy guidance is given to collective enterprises and effective overall management is ensured, the collective enterprises develop faster than in other localities. For example, the industrial output value of the collective enterprises in Zhejiang and Jiangsu Provinces respectively accounted for 63 percent and 59 percent of the total provincial industrial output value. In Shandong, Guangdong, and Hebei, collective enterprises also produced about 40 percent of their provincial industrial output value. In the three northeast provinces, collective economy management bureaus have been established to formulate policies, give guidance, and coordinate management. Collective enterprises there have found that they can obtain timely help and guidance from the government, thus many problems can be solved without delay. However, many localities still do not attach importance to the collective economy and show little concern for the collective enterprises. Only when the local production targets and revenue quotas cannot be fulfilled do they pay attention to the collective enterprises. In these circumstances, many collective enterprises can only exist without growing steadily. So the growth in the collective economy in various localities depends, to a certain extent, on whether the local governments attach importance to this issue or not. Therefore, it is urgently necessary to set up an authoritative state organ to give unified guidance to the reform of the collective economy and to coordinate the relevant work in all fields.

Second, during this period when "everyone is setting up and running a collective enterprise," it is all the more necessary to strengthen overall policy guidance. As mentioned above, most urban collective enterprises in our country are founded and supported by enterprises or institutions owned by the whole people, and they are the products of a special historical condition in our country. We should affirm that doing things this way has played a big role in solving the employment issue, developing the national economy, and also given birth to thousands of new enterprises and greatly strengthened the collective economy. At the same time, that the whole-people-owned institutions provide funds, plants, and manpower for the collective enterprises and give them substantial

assistance constitutes the precondition for the rapid development of the collective economy in recent years. In particular, many collective industrial enterprises run and supported by large and medium-sized state-owned backbone enterprises have achieved a high growth speed, built up a large production scale, and attained advanced technological and management levels that are unparalleled among other collective enterprises run by the ordinary working masses. Recently, after optimizing their labor force structure, many state-owned enterprises have shifted their redundant workers to newly founded collective enterprises. Obviously, the phenomenon of "everyone running collective enterprises" will continue to exist for a certain period. The problem is that after the new collective enterprises are founded, their economic relations with the sponsor institutions should be properly handled, and their management systems should be adapted to the regularity of the commodity economy and be reformed in light of the needs in the development of the productive forces. The state departments concerned should give explicit and timely policy guidance on these issues through serious investigation and study so that the collective enterprises can bring their activities into line with unified rules and regulations. If they can act as they like, more contradictions will appear and their further development will be obstructed. The handling of the relationship between collective enterprises and their sponsor institutions impacts upon many, many institutions owned by the whole people. If the state does not give overall guidance and play a role in coordination, a great many problems will be hard to solve. Even if there are some explicit policies, without the supervision and inspection of some authoritative organs, it will still be hard to really implement these policies.

Third, the efforts to explore the course of reform in the urban collective enterprises will also provide significant experience for guiding the reform in the enterprises owned by the whole people. Collective enterprises need to seek development through reform, and its significance is never limited to the development of the collective economy itself, but is also great in the entire economic structural reform. This is because the main task of the reform in collective enterprises is to rationalize property relations, establish a flexible enterprise management system, and also improve the external environment and strengthen overall management. This is almost identical to the reform tasks that the enterprises owned by the whole people are facing, and the only difference lies in their ownership. Although various problems still exist in collective enterprises, in general, they enjoy one obvious advantage; that is, they do not need to be subordinate to so many different government departments and they can subject their production more to regulation by market forces. They have to bear responsibility for their own profits and losses, and this adds greater pressure to their management, and also increase their motivation for carrying out reform. Thus, they will encounter smaller resistance and obstacles in the course of reform. It is

quite likely that the collective enterprises will make substantial advances in reform ahead of enterprises owned by the whole people, and create useful experience for the latter.

One more issue should be pointed out here. Because the influence of the old ideas and the old systems still exists, in real economic and political life, the state should pay attention to guaranteeing the legitimate rights and interests of collective enterprises and their workers and to raising their social status. It is necessary to correct the practice of transferring and leveling enterprise property, imposing excessive administrative interference and levies, and recklessly changing and dismissing managers of the collective enterprises. At present, some collective enterprises still lack a normal channel to access major central documents and local government directives. This means that they are still not treated equally in political terms. The professional titles of their technicians and the seniority of their workers are not recognized in society. In some localities, cadres in collective enterprises cannot be trained in party schools, and even party organizations do not recruit new members in these enterprises. This shows that in reality, the status and role of collective enterprises are still looked down upon. We need to take serious measures to change this state of affairs.

**Marxist Literature and Art Theory Workers Must Reform Their Own Academic Image**  
*HK0607093189 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 11, 1 Jun 89 pp 20-24*

[Article by Liu Runwei 0491 3387 3634 of Hebei WEN-LUN BAO Literary Forum Paper]

[Text] Since the start of the new era, Marxist literature and art theory workers have rendered indelible meritorious services in various respects, such as bringing order out of chaos in literature and art circles, restoring and safeguarding the fundamental spirit and principles of Marxist literature and art theory, enlivening literature and art creations in the new era, and so forth. But the increasing new changes in literature and art practice have also exposed some conspicuous weaknesses in quite a large number of comrades themselves. This is an objective fact not to be avoided or denied. These weaknesses have, to a certain degree, covered up the inherent vitality in Marxist literature and art theory. Thus, its great theoretical militant power and conquering power are internally weakened. A grim theory and practice pattern requires us to actively and consciously put forward a theme with a historical mission. Marxist literature and art theory workers must remold their own academic image.

# I

Marxist literature and art theory workers are the living carrier of Marxist literature and art theory. One of its functions is to pass on information on Marxist literature and art theory in the form of spiritual individuality and

to continuously explore and strengthen its grasp of the masses in depth and breadth. Psychological research shows that people, especially those with not a strong internal life (mostly young people) have an instinctive thirst for what is new (naturally, to a certain degree). A stimulant not strong enough and monotonous and repetitive will generate a repressive process of the relevant nerve cells of the cerebral cortex, thus leading to a sense of fatigue and even drowsiness. But a stimulant too novel and too strong also destructively impairs the previously established pattern of cerebral functioning [danao dongli 1129 5207 0520 0500], thus leading to a feeling of pain and of loss psychologically. Most liable to cause surprise and joy and most liable to be accepted by people is information with quantitatively sufficient novelty and a definite amount of what can be known. In disseminating Marxist literature and art theory information, we must take full note of this psychological feature of the recipient, trying in every way to avoid drabness and avoid using the same tone and the same approach in every case. Not only does the formed individuality of this or that disseminator differs but also every disseminator himself must keep seeking what is new and changing. Otherwise, many people with a not strong inner life will be won over by those non-Marxist literature and art theories, or ideas that come in a "new" garb. Perhaps, some comrades may ask: For certain comrades, especially young ones, Marxist literature and art theory, even not put in a different way, is already sufficiently new and even strange. Does this not exactly serve to satisfy their thirst for newness? True, certain comrades, especially certain young ones, really do not know much about Marxist literature and art theory. But it should be noted that given certain tendencies toward simplification, vulgarization, and pragmatism in propagating and using Marxist literature and art theory in a previous stage and especially given its distortion and utilization by the "gang of four," many literature and art workers were personally victimized. Therefore, on their part, they unconsciously equated the original features of Marxist literature and art theory with those distorted versions, thus establishing an erroneous fixed pattern of cerebral functioning. As a set social trend, such an erroneous fixed pattern of cerebral functioning will naturally influence the younger generation with not a strong inner life. This, coupled with doubts at home and abroad and the propaganda and encouragement of those keen on negation, is also very likable to form a negative and relatively strong psychological trend of a fixed type in these young people. Therefore, the very mention of the wording "Marxist literature and art theory" gives rise to psychological rejection and aversion, no matter what its concrete and rich contents. This is the so-called effect of dizzying wheels. Because of this, the need is all the greater for us to use the power of inspiration and penetration created in new and varying ways to patiently melt down and dispel their fixed psychological trends, thus enabling them to absorb rich and profound Marxist literature and art theory information, with a sense of surprise and joy.

Another function of Marxist literature and art theory workers is to safeguard the fundamental spirit and principles of Marxist literature and art theory. Since its birth, Marxist literature and art theory has all along managed to survive in repeated trials of strength with those challengers. It has been continuously carried forward and developed. In our country's literature and art circles in recent years, the variety of challengers and the novelty of their approaches have been such as rarely seen since the founding of the PRC. In the face of such bizarre and clamorous challengers, Marxist literature and art theory workers have "responded to a change with no change," still following the theory patterns and strategies and tactics of the 1950's and the 1960's. This obviously does not work. We must continuously readjust our own theory patterns and strategies and tactics.

Like other truths in the world, Marxism is the unity of opposites—relative truths and absolute truths. Therefore, it not only recognizes the objectivity of truth but also negates the existence of "ultimate truth." Its such innate character demands its continuously dropping those already hackneyed ingredients, or "elements" and injecting itself with ingredients adapted to new practice in the process of its being continuously combined with new practice. This is strengthen its own life and vitality. It was in this very sense that Engels clearly pointed out: "Theoretical thinking in any era and thus theoretical thinking in our era is a product of history. It assumes different forms in different eras and thus has quite different contents."<sup>1</sup> Literature and art practice of today is different from literature and art practiced at a time when these authors of classics were around. The era cries for new contents and forms of Marxist literature and art theory. But such new contents and forms must be conferred by such a living carrier as Marxist literature and art theory workers and by our dynamic creative mental activity. Therefore, to combine Marxist literature and art theory with new practice and creatively solve new problems appearing in practice and vest it with new contents and forms—this is another important function of Marxist literature and art workers.

The above-mentioned important functions of Marxist literature and art theory workers in three respects are related to each other. They pervade, crisscross, and even overlap each other, so that in concrete practice, they cannot be separated from each other. But these three respects happen to all support the theme put forward by this article. This theme has been put forward under the impetus of realistic peculiar needs. But in fact, it has long been prescribed by the functions that Marxist literature and art theory workers assume. Therefore, it carries not only a realistic sense of urgency but also far-reaching historic significance. This theme should become a long-lasting slogan of us Marxist literature and art theory workers!

## II

Man is not only the subject but also an object ceaselessly seeking self-upgrading and self-development. The so-called "transformation of our own academic image"

means establishing self as an object seeking upgrading and development, from the angle of theory, the mix of knowledge, and the ways of research. This object is an ideal form embodying new objectives of value and transcending the old self, and is also a new self. Then, as far as the urgent needs of reality are concerned, we should head from what is the "old self" toward what is the "self"?

From a one-sided pattern to an all-round pattern. Marxist literature and art theory was originally a great and profound system. In the face of many sides of the literature and art phenomenon, it held the key to the solution of many kinds of literature and art problems. But due to its own inadequate preparations and the influence of certain external and especially ultra-Left thinking, quite a large number of our comrades have developed a different degree of one-sidedness in understanding, interpreting, and practicing this theory. Between such angles as sociology and the science of history and many angles like aesthetics, culture, anthropology, psychology, and so forth, between general literature and art laws and special laws, between the rational characteristics of literature and art and nonrational characteristics, between realism and other ways of creation, between the understanding of literature and art and the functions of education, on the one hand, and the functions of aesthetic judgment, on the other..., there have been different degrees of emphasis on the former, with the latter neglected or looked down upon. There is no denying that above "formers" are all important aspects of Marxist literature and art theory. Attaching importance to them is a matter of course and beyond reproach. Actual results of literature and art research show that due to our attention to matters in these respects, achievements carrying great academic value have been scored in various fields—whether in ancient literature and art and foreign literature and art, or in modern literature and art and contemporary literature and art. Moreover, a large number of specialized research personnel full of originality have been trained and turned out. There is no doubt that even in the future, our research in these respects will not stop. The problem lies in the matter of neglecting the "latters." Between rich, complicated, and colorful literature and art phenomena, there exist internal, organic, and universal ties. To understand and grasp them, we must make observations and comparisons involving many aspects and many levels (these levels and aspects being continuously on the increase). Only by again upgrading things drawn from various aspects and various levels to the level of concrete thinking can we come relatively close to an overall understanding and grasp of them. If knowledge is just confined to the abstract stage of one aspect or one level, there is no avoiding causing one-sidedness. Such one-sidedness, on the one hand, leads to narrow and limited room for research and restricts an upsurge in our capacity for theoretical thinking. On the other hand, it causes us to lose the capacity to cope with emergencies in the face of ceaselessly generated literature and art phenomena, and even lapse into quite an embarrassed

position. Therefore, we must strive for a transition from the one-sided to the all-sided pattern. Of course, Marxist literature and art theory is a big tree with luxuriant branches and leaves. As far as individual theory workers are concerned, to study and practice it in an overall manner is indeed unusually difficult and even impossible. But every theory worker in a penetrating study of every "branch or leaf" must take a relatively perfect and overall general understanding of the whole system as a prerequisite, and be able to realize, with a clear understanding, the position of the aspect with which he is deeply involved, in the whole system and its internal relations to various other aspects. This is one requirement. Another is that in the study and practice of the whole system, there must be an overall design, proper division of labor and rational arrangements to enable our research and practice to show generally a trend of systematization, wholeness and variety.

From closeness model to openness model. (Prigogine's [2528 0448 7559 3160]) theory of dissipation pointed out: In an isolated, insulated system, entropy representing the degree of disorder in a system would spontaneously tend to reach its maximum, thus causing the whole system to finally head for disorder and dead silence. To maintain and develop its own orderliness and vitality, a system continuously exchanges matter and energy with the outside world and continuously introduces a counter-current to offset an increase in its internal entropy. Therefore, a system must be open. This principle similarly applies to the mental system. There is no doubting that Marxist literature and art theory must be, and are in reality, an open system. On such an essential attribute of Marxist literature and art theory, authors of classics long provided a theoretical explanation. "The history of philosophy and the history of social sciences have long very clearly shown that there is absolutely nothing similar to 'sectarianism' in Marxism. It is by no means a narrow and obstinate doctrine departing from the broad path of the development of world civilization."<sup>2</sup> But for many years, for various complicated reasons, our ties with modern world civilization had almost been severed. Living Marxist literature and art theory in our hands began to show signs of stagnation and rigidity. Even today, a small number of comrades still have a sentimentalized mentality of rejection accumulated in many years toward non-Marxist things. Proof for this may also be obtained from works by individual comrades. These comrades do not deny and even advocate critically absorbing non-Marxist things. But in most situations, it is consideration based on writing style-related logic, or debate. What has actually been done is very little. This mentality is obviously incompatible with the internal demands of the Marxist literature and art theory system. Because in introducing the "counterentropy current," Marxist literature and art theory must go through such a medium as its living carrier, the pattern for our theoretical thinking must, first of all, be open.

Then, what are the concrete implications of this open pattern. There are the following three respects: First, we

must widen our horizon. The results of scientific thinking and culture in the contemporary world, especially those of scientific thinking and culture in Western society, cover a vast "area," and involve a great variety. We should strive to keep an eye on all of them, with nothing missing. Second, we must respond to things quickly, with a show of discernment. An important rule for openness is that we can only introduce the "counterentropy current" and cannot introduce the "entropy current." The introduction of "entropy currents," such as extreme idealism, the idea of opposing rationality, extreme individualism, social pessimism, nihilism, and so forth, can only lead to an increase in entropy and disrupt the orderly development of our literature and art theory system. Only by introducing "counterentropy currents" can we nourish, enrich and strengthen ourselves. But positive and negative entropy currents are mostly mixed up, presenting a state of the fake being passed off as the genuine thing, or providing a mix of the good and the bad. This requires us to develop the principal part of materialist dialectics, subjecting it to being "praised or rejected." This is to say that we must carefully and accurately discern things and then effect elimination or selection. Third, we must show great discernment in the matter of assimilation. Even "counterentropy currents"—the results of fine and positive scientific thinking and culture—cannot be directly incorporated in the Marxist literature and art theory system without discrimination. For example, things like "an explosion of terms" and "a great change in concepts" all cannot be accepted by us. Through our mechanism of assimilation, we must select those new ideas, categories, and concepts that are of practical use and incorporate them in our existing system in a harmonious way, so that they can become a new component of the whole system.

From a straight line to a curving line. Involved here is mainly the way of thinking. In recent years, the discussion of a reform in the way of thinking was for a time all the rage in literature and art theory circles. In discussion, some people really used opposition to the linear way of thinking and mechanical materialism as an excuse, as they attempted to replace the guiding role of dialectical materialism in the area of literature and art research with various forms of subjective idealism. This is what we resolutely oppose. But we should also note that due to the efforts of most scholars adhering to a scientific attitude, this discussion was of quite positive significance in pounding mechanical materialism and a certain situation of metaphysically created rigidity in literature and art research.

In our eyes, the so-called reform in the way of thinking is total regression to materialist dialectics. As everyone knows, the materialist-dialectic way of thinking has not the least thing in common with the linear way of thinking. Lenin correctly pointed out: "People's understanding is not a straight line (which means not proceeding along a straight line) and is infinitely close to a string of circles and close to the curving line of a spiral. Any fragment, bit, or small section of this curving line can be

transformed (in a one-sided way) into an independent and perfect straight line. This straight line can lead people to the quagmire (given that they are seeing just the trees and not the forest).... The straight line and one-sidedness, rigidity and inflexibility, subjectivism, and subjective blindness are the roots of the understanding of idealists."<sup>3</sup> The "straight line" sharply criticized by Lenin here is the linear way of thinking. This means that in the process of thinking, there is only one angle of thinking, one direction for thinking, one logic rule, one outcome of thinking, and one assessment standard. It means the metaphysical way of thinking. The "curving line" way of thinking advocated by Lenin is nothing but the materialist-dialectical way of thinking. This way of thinking means that in the process of thinking, there are many angles of thinking, many directions for thinking, many rules of logic, and many assessment standards. They are also closely related to each other. They criss-cross, supplement, and work on each other as cause and effect, and are subject to the operation of a unified change.

According to the writings of classical authors, it is not difficult to distinguish the above two ways of thinking and grasp several laws and several categories for the materialist-dialectical way of thinking. But in the concrete process of awareness, it is extremely difficult to avoid the former and skillfully apply the latter. Students of theory often like to joke with people, saying: We originally wanted very much to advance along the spiral road shown by the curving line way of thinking. But often unconsciously we returned from a certain "fragment, little bit, or a small section" to the quagmire of the linear way of thinking. The cause is, of course, very complicated. But as far as the lesson from literature and art research is concerned, there are two main aspects. To facilitate making things clear, let us analyze two very small examples. One is the assessment of protagonists Qiao Ying and Wang Quan in the novel *Old Well* by Zheng Yi. One school of thought holds that Qiao Ying, who is not reconciled to poverty and backwardness and who hankers for a free and beautiful life, should be praised; Wang Quan of an inhibited nature, who ignores self-development, should be negated. Another view is that Qiao Ying, seeking a life of ease and escaping hardships, should not be taken as an example. Wang Quan with her rural background who fights amidst hardships displays a commendable spirit. It is very clear that the former opinion, influenced by the so-called "new way of thinking" represented by "liberation of individuality," is at present one-sidedly stressed. The latter view is affected by many years of the influence of vulgar sociology. Negative social trends cause people holding this view to consciously or unconsciously adopt a given angle of thinking, follow a given direction of thinking, and observe a given logic rule in a straight extension. What they at last come up with can, of course, only be similarly one-sided and simple thinking. These two schools of thought are diametrically opposed to each other. But there is not the least difference in the way of thinking. It can be said that "it is the same way, but with

different results." If we get rid of these narrow social trends and observe things from the level of appreciation of the beautiful, we will have no difficulty finding out that the two persons in the novel are demonstrating the basic strength of man in different aspects. From the case of Qiao Ying, we see that life "should be such." From the case of Wang Quan, we see how we should create such a life. One has the advantage of a passionate sentimental life. Another stands out with a show of great external strength in practice. One embodies the beauty of softness and flexibility, the other gives expression to the beauty of strength and firmness. Readers' need for appreciation of the beautiful is satisfied from two aspects. This clearly reminds us that the influence of negative social trends is often an important cause of our lapsing into the linear way of thinking. If we do not take the initiative to consciously resist the potential influence of negative social trends, it is almost impossible to realize a reform in the way of thinking. Now, let us look at another example. How revelatory literature reflects the truth of social character is a knotty problem that has long disturbed writers and theorists. Based on the theoretical summary of the character of society, a corresponding design of the contradictions or conflicts and the ending has been condemned by readers with increasing vehemence. Forces of justice do not prevail in works, with "no brilliant end" in the ending—this is also very likely to earn accusations like "distortion" and "defamation." The main point of the problem is whether and how these works are able to portray the true essence of socialism. Given the use of the linear way of thinking, this problem basically cannot be solved. But if we strongly demand using the curving line way of thinking to solve problems and have the necessary common knowledge of Einstein's theory of relativity in its broad sense and Chinese classics, we may be able to solve this knotty problem. The character of social life and social forces of justice can also be looked upon as a gravitational field. All negative figures that enter this gravitational field will undergo "different changes" in their mentality and their action. So long as these "different changes" are spelled out, the true character of society is reflected. This conclusion is the very outcome of the "curving line" way of thinking. This example tells us that there is a long and tortuous path to traverse between the starting point of the "curving line" way of thinking and the outcome of thinking. Internally speaking, even given the "curving line" way of thinking as a starting point, if there is no necessary "encouraging material," we also after all cannot attain the goal of success. The so-called "encouraging material" is a reserve of various kinds of knowledge that is close to the curving line way of thinking in structure and is closely related to the subjects of research. Through cerebral association of thoughts and imagination, it plays a stimulating and encouraging role in the whole process of thinking. It can be described as a high-powered helpmate or close attendant of the "curving line" way of thinking. From the above analysis, we can see that consciously getting rid of the bonds of negative social

trends and accumulating more of and consciously calling into action "encouraging material" are two indispensable conditions for the realization of the "curving line" way of thinking.

It can be imagined that once the transition of the above three types is completed, we will jump from the previous passive position of defense to the position of a go-getter taking the initiative. Marxist literature and art theory will conquer the whole world of literature and art with a show of new vitality and pep and have its beautiful youth to boast of. Of course, transforming one's own academic image is an extremely painful thing. But new life and hopes are born of nothing but such pain. A sacred historical mission requires us to accept this pain. "Given the freshness in a day, there will be freshness every day and all days ensuing," as an ancient self-admonition goes. Looking at things today, is this not a lesson left us by our ancient ancestors? Every comrades bent on upholding and developing Marxist literature and art theory should have such determination to get ahead and never stop strengthening himself.

#### Footnotes

1. *Selected Works of Marx and Engels*, Vol 3, p 465.
2. *Collected Works of Lenin*, Vol 19, p 1.
3. *Ibid.*, Vol 38, pp 411-412.

**The Basic Characteristics of the Evolution of Ideological Theories in the Contemporary World**  
HK0507093189 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 11, 1 Jun 89 pp 25-30

[Article by Song Huichang 1345 1920 2490]

[Text] In the development of the contemporary world, particularly in the historical trend of socialist reforms, profound changes have taken place in the ideological sphere as profound reflections of social changes. Studying the basic characteristics of the changes in ideological theories in the contemporary world has major practical and theoretical significance in correctly assessing changes in ideology in China and in scientifically understanding the basic law governing reforms in all social fields.

What is ideology? There is no consensus on this question. According to the views of some Western academics, ideology is a "form of social or political philosophy in which practical elements are as prominent as theoretical ones; it is a system of ideas that aspires both to explain and change the world."<sup>1</sup> Other academics point out that ideology has a tendency beneficial to a social group. In our opinion, ideology reflects the general views of people on actual social relationships, is a complete theoretical system consisting of views, ideas, and principles, and finds expression in programs for action, political norms, and social ideals. Generally speaking, in a certain social

environment, ideology and the relevant society rely on each other and constitute an important part of the superstructure of that society. Therefore the emergence and development of ideology are always closely connected with the characteristics and evolution of the economy and politics of that society.

Since its emergence, Marxism has experienced various ideological struggles with all sorts of other ideologies. Even within Marxism itself, contradictions, conflicts, and coalitions have occurred among different schools. These basic facts are embodied in different ideological theories in the world. Studying the evolution of ideological theories will enable us to profoundly understand the political pattern of contemporary world development and its basic contradictions. Thus we will be able to establish an overall concept that takes the whole world into account. This is our basic purpose in studying the problem of ideology.

When discussing ideology and ideological theories, many people are accustomed to quoting Lenin. In his book *What To Do*, published in 1902, Lenin said: There is no neutrality or "third system" in ideology; it must be a bourgeois or socialist ideological system.<sup>2</sup> Some academics elaborated on these remarks by saying: The contemporary world is an arena in which socialist and bourgeois ideologies are engaged in an uncompromising struggle. Apparently, this theory can no longer reflect the actual situation in the world. As a matter of fact, the situation in the ideological sphere is very complex and many kinds of ideologies exist together in the contemporary world. These ideologies are changing and developing.

#### I. The Evolution of Western Ideological Theories: From "The Termination of Ideology" to "The Reappearance of Ideology"

For a historical period after 1930, many major changes took place in the capitalist world and ideological fantasies created by bourgeois thinkers continued to fall apart. Even they themselves admitted that Western ideology had lost its attraction and was beginning to head toward its doom. In view of this situation, American social scientist and political philosopher Daniel Bell proposed the theory of the "final stage of ideology." In his book *The End of Ideology* published in 1960, he pointed out: The facts about political life from the 1930's to the 1950's proved the following: "For radical intellectuals, obsolete ideology had lost its 'truthfulness' and power of conviction. Conscientious and serious people no longer believed in the 'blueprints' worked out by others or in the possibility of forming a new and socially harmonious utopia by exercising 'social management.' At the same time, some ancient and 'opposite beliefs' also lost their spiritual power.... In this sense, the era of ideology has ended."<sup>3</sup> A social concept accompanying Bell's theory was the theory of the "post-industrial society." According to this theory, in world development today capitalism and socialism are becoming closer. These two systems are complementary to each other and are

developing toward the formation of societies of the same nature, namely an "industrial society" and a "post-industrial society." In addition, there is also a similar "development" in the political sphere, which finds expression in the distegration of Marxist "ideological prejudice" and the substitution of a uniform "social concept" for ideology.

The theory of the "final stage of ideology" distorted the status of ideology. As a matter of fact, although all kinds of ideologies had markedly changed, their contradictions and conflicts were still deep-rooted. An American academic named L.J. Binkley said: "At a time when we need a consensus on the value of the nuclear era, we have discovered that not only different countries but political leaders, psychologists, philosophers, and theologians in the Western world also hold major differences. These differences have an important bearing on a humane society that devotes itself to this value."<sup>4</sup> When the capitalist concepts concerning the world and value were in contradiction, particularly when these concepts came under the attack of the world socialist trend, the bourgeoisie deemed it necessary to rebuild its ideology and to find a spiritual pillar for the consolidation and development of the capitalist system. Thus the "theory of the reappearance of ideology" was formulated. It was precisely under these circumstances that Daniel Bell expressed his disagreement with the assertion that the contradictions of different ideologies were still deep-rooted, and pointed out that some people had misunderstood his theory on the "final stage of ideology." He said: "*The End of Ideology* tries to explain that because the old political enthusiasm has withered, there is a need to explore the relationship between politics and using science and technology to administer a country. In *The End of Ideology*, I did not say that all consideration for ideology has ended. As a matter of fact, I believe the withering of the old ideology will eventually lead to the emergence of a new desire for a new ideology."<sup>5</sup> Many Western academics wrote books explaining that "ideology has not ended," thereby shifting from their complete negation of the role of ideology (including Marxist ideology, of course) to reconfirming its role in society. They stressed that ideology should be used as a tool to fix and control the orientation of people's actions. A Dutch social scientist explicitly said: "Now when welfare countries are beginning to declare they are facing crises and have found it impossible to control people's 'minds' by means of technical rule, a certain spiritual power supported by a strong ideology is quite beneficial."<sup>6</sup>

This major development in Western ideological theories indicates that all ideologies change with changes in political and economic development. Correspondingly, people's views on the role of ideology in society also change. This is a basic law governing the change in ideological theories and is also an important method to study the status of ideology in the contemporary world.

## II. Explorations of Different Schools of Marxism: The Diversification of Ideology

The influence of Marxism is expanding in the world. This is an important phenomenon in world ideology in the 20th century. In the development of Marxism, we have not taken a proper view of the question whether there are different schools of Marxism. As a matter of fact, there is no such thing as the most correct and orthodox Marxism. Under different historical conditions and in different social environments, there are different types of Marxism. For example, there is Chinese-type Marxism, namely Mao Zedong Thought, Soviet-type Marxism, Yugoslav-type Marxism, European communism, African socialism, etc. A serious study of their documents will enable us to understand that they are fundamentally the same but at the same time bear their own characteristics. As ideologies, they are basically the same except for the different views contained. An important problem at present is how to correctly handle the different theories summed up from the explorations of different schools of Marxism, so as to make a useful conclusion.

In these theoretical explorations, a prominent breakthrough out of traditional Marxism is "European-type communism," which mainly refers to the Italian, French, Spanish, British, and Swedish communist parties. For a period of time (particularly during Stalin's period), they followed the theoretical pattern of the CPSU and took the Soviet Union as the center of international socialism. Since the late 1950's, and particularly since the 1970's, a series of economic, political, and social changes have taken place in the capitalist world. Facts have proved that the theory of carrying out socialist revolution under capitalist conditions proposed by the founders of Marxism no longer applies to modern capitalism. A socialist revolutionary method should be studied according to the development of modern capitalism. In addition, some socialist countries including the Soviet Union experienced certain crises in the course of their development due to the influence of dogmatism and rigidity in theory. For a period of time the serious destruction of socialist democracy and the socialist legal system ruined the image of socialism and harmed the reputation of Marxism. This enabled European communist parties to understand that simple repetition of the socialist mode no longer applied to building socialism on the continent, therefore the problem of building socialism should be restudied. They strongly felt the need to combine socialism with democracy and freedom and to enter socialism through democracy. This is a correct method to carry out socialist revolution in developed capitalist countries today. In the ideological field, they have proposed the "theory of diversification."

The "theory of diversification" consists of two aspects: On the one hand, it has proposed the "diversification" of Marxist theory and that the international communist movement should have "multiple centers." In other words, it negates the Marxist mode that claims to be the



most correct and orthodox, and also urges the recognition of different schools of Marxism. How many types of Marxism are there now in the world, after all? According to some analyses, there are three major types: The Soviet type, the Chinese type, and the type characterized by reformed communism (which includes "rational Marxism" and "humanitarianist socialism"). But some people are of the opinion that Marxism can be divided into five major types: The East European type, the West European type, the Yugoslav type, the Soviet type, and the Chinese type. However, Yugoslav philosopher (Mi ke qin [4717 0344 2953]) said that there are at least 15 types of "modern Marxism" and that it is practically impossible to distinguish which is the most genuine one. On the other hand, the diversification of ideology also means that ideologies of different natures in a country (particularly in a future socialist country) or social life should be allowed to coexist equally, that political alliance and cooperation should be formed through dialogue, and that common efforts should be made to introduce socialist transformation. According to this theory, no ideology, not even Marxism, should be designated by the authorities as an ideology that occupies a dominant position; in addition, party members should be allowed to hold different types of ideologies in the party, provided they abide by the party program. Only thus can democratic politics be practiced and inner-party democratic life be ensured. On this point, upholders of this theory criticized the Soviet Union by saying: The designation of Marxism as the state ideology has hampered the development of socialist democracy and is detrimental to introducing full inner-party democratic life. They explicitly pointed out that socialist countries should not practice "ideological dictatorship."

Political parties in socialist countries or people in theoretical circles in these countries do not hold unanimous views on the diversification of ideology proposed by European communists. For a long period, Soviet and East European parties and theorists sharply criticized this theory and regarded it as a bourgeois and anti-Marxist ideological trend that tried to negate the international nature and universal principle of Marxism. Following the development of the era, more and more people began to understand that this criticism could not stand the test of time. The value of this theory will be judged by the development of history.

Propelled by the trend of socialist reforms, many parties and theorists in socialist countries have started reappraising this theory. Although their understanding of the "theory of diversification" is not unanimous, this basic development trend is worth mentioning: They have shifted from criticizing the "theory of diversification" to encouraging "diversification." An example is that Yugoslav, Hungarian, and Polish parties and theorists have explicitly proposed the diversification of ideology. Hungarian party leaders said that the "diversification of ideology, value, and interests" should be expanded under the prerequisite of maintaining unanimity in society and that people should be allowed to express

different political views. In the course of developing socialist democracy over the last few years, Soviet party leaders and theorists have time and again stressed the necessity to take diversification as an important condition for practicing openness. At the 19th CPSU National Party Congress, Gorbachev proposed the "diversification of socialist public opinion" and the diversification of domestic and foreign policies. He explicitly pointed out that the Soviet Union "confirms the diversification of public opinion and the abandoning of spiritual monopoly." Since the 3d Plenary Session of the 11th CPC Central Committee, the CPC has persisted in establishing the leading position of Marxism while at the same time encouraging the implementation of the "double hundred" policy in the ideological sphere and free discussions on different views and schools of thought. Thus it can be seen that these explorations are giving an impetus to the development of Marxist theory and are increasing its vitality.

### III. Ideology in Contemporary World Political Life Is Becoming Weaker

Prior to the 1988 French presidential election, on 31 January the U.S. WASHINGTON POST published an article sent from Paris by its reporter entitled "Menu for the French Election: All Meat and Potatoes, No Juice of Ideology." The article said: For several past decades French political parties and their standard bearers had rapidly risen through ideological struggle and by presenting their views vehemently. But there has been a great change in recent years. As people are aware, there is no ideological difference between the three presidential candidates. No matter who is elected, this country will not experience a great change in its advance. During a presidential debate, unlike what had happened in the past, there was no overstatement on commitments or political program. The voters took a deeper interest in the candidates' moral characters than in their ideological tendencies. This is an electoral activity without any ideological nature, and the most practical presidential election without any prejudice. In the past, French political theories always contained all sorts of flavoring, but all of a sudden France has found it difficult to accept this kind of politics because it lacks an ideological flavor. It is normal for people in the United States not to take an interest in ideology, but in France this could mean deviating from its history. Therefore French analysts are of the opinion that France has entered an era with a "moderate ideological flavor." On 8 May 1988 French President Mitterrand, leader of the French Socialist Party, was reelected for another seven-year term. Although the right-wing forces got the upper hand for a time during the presidential election, Mitterrand finally won the election due to his strategy of "coexistence politics" (which proposed weakening the flavor of ideology and political parties and forming a neutral coalition government with a slight tendency toward the left to administer France). The success of this proposal indicates the present characteristics of French society: Most



people are tired of political struggle and the struggle between political parties and are shifting their attention to scientific progress, social security, education, and private life.

These French characteristics have wide representation across the world and portray the weakening of ideology following the decrease in political factors in international relations. The political nature of international relations has changed following the change in the global political structure; confrontation between different social systems are being diluted by the demand for mutual reliance, dialogue, and negotiations; political struggle in international relations is being pounded by the two major trends of peace and development; in international competition, economic and technological factors are replacing military and political factors and are playing an increasingly important role in this respect; and some issues of global interest are breaking through narrow and regional ideological prejudices.

Because of these changes in international political relations, as the main Marxist schools of thought in Western developed countries, "Western Marxism" and European communism stress the necessity to work out a socialist revolutionary strategy that can cope with the above changes and is suited to contemporary capitalist development. They urge entering socialism through democracy and are trying to seek alliances from among different political blocs and to reduce the flavor of Marxist ideology. Some parties have given up the slogan of "ideological struggle." The "historic compromise" put forward by the Italian Communist Party is a strategy that has wide representation in the ideological sphere.

This situation also finds expression in the political practice and theoretical research of communist parties in socialist countries. Following the profound development of socialist reforms, it is important to study the present status of world ideology so as to make a timely adjustment of our own ideology. To resolve their diplomatic difficulties, in recent years many countries have stressed the following point: There may be an ideological confrontation between countries of different systems; therefore people's choices in these countries should be respected. In diplomatic activities, it is necessary to get rid of narrow ideology, to prevent diplomacy from being subordinated to ideology, and to prevent ideological differences from affecting diplomatic relations. Hungarian Socialist Workers' Party leader Karoly Grosz said: "What guides us should be common interests and wisdom instead of ideological prejudices or images." This idea is accepted by more and more countries in the world and is displaying its rationality and initiative. This tendency embodies the practical attitude of communists toward socialist reforms. Through decades of international life, many people have gradually come to understand this: World peace (which manifests itself mainly in stopping nuclear war threats), economic development, and ecological environment protection mean much more

than ideological differences. In other words, man's existence and development are higher than all other interests and man's common value is higher than everything else. These interests and value are of a nonideological nature.

This viewpoint on ideology is a new topic in Marxist ideological theory and is a brave exploration on world ideological theories. It demands that we should use new concepts to treat and handle class interests and human relations. Soviet leader Gorbachev has called this new idea a "new world philosophical concept" characterized by the application of "dialectical methods to the principles concerning man and classes." Thus it can be seen that putting man's interests above everything else means confirming the role of moral principles in international relations. This idea was proposed by Marx as early as the period when the First International was established. In the declaration of the First International, he pointed out that the world working class should "strive to turn the criteria concerning morality and justice that govern personal relations into paramount criteria governing international relations."<sup>7</sup>

In world political relations today, much more attention is being paid to factors of common concern for global development: increasing and speeding the production of material wealth through the application of advanced science and technology, attaining equality of distribution in a timely manner, while simultaneously restoring and protecting through mutual efforts the resources on which man relies for his existence. Obviously this "global doctrine" does not bear any ideological flavor; on the contrary, joint actions and international cooperation demand the abandoning of ideological prejudices. In recent years many Western countries have taken an interest in what they call "green politics" following the emergence of the "global doctrine." Since the beginning of the 1980's, "green movements" led by "green parties" and "green peace organizations" have taken shape in some Western developed countries, thus giving rise to "green politics." "Green parties" have been established in the FRG, France, Belgium, the Netherlands, and the United States. Some "green parties" have even taken part in elections (28 green party members joined the Parliament in the 1983 FRG election; the "green party" and the communist party won a similar position in the 1988 French election). "Green movements" led by these "green parties" include the ecological movement, which is aimed at maintaining a balance between man and ecology and protecting the ecological environment; the peace movement, which opposes nuclear weapons, nuclear tests, and nuclear warfare, and demands a disarmament and a halt to wars; the women's rights movement, which opposes discrimination against women and stands for equality between men and women; and the ecological social movement, which is targeted at forming a combination between socialism and the protection of ecological balance. The program for "green movements" is to create a safe ecological environment for all mankind by means of a systematic theory and socioecology. *Green*

*Politics*, a book written by American academics C. Spret-nak and F. Capra, points out that "green movements" and the relevant "green politics" advocate social respon-sibility, transcend left-wing and right-wing political structures, and respect equal and diversified cultural life in society. In other words, one of the purposes of "green politics" is to reduce the ideological flavor of traditional politics so as to allow "green political" activities to take on a global nature and serve all mankind.

#### Footnotes

1. *Concise Encyclopedia Britannica*, Chinese edition, Vol 9, p 101.
2. *Selected Works of Lenin* Vol 1, p 256.
3. *Reference Material on Contemporary American Bour-geois Philosophy*, Commercial Press, 1980, Vol 4, p 129.
4. *Conflicts of Ideals*, Chinese translated edition of 1983, Commercial Press, p 6.
5. Daniel Bell, *The Arrival of a Post-Industrial Society*, Chinese translated edition of 1984, Commercial Press, p 43.
6. *Dictionary of Scientific Communism*, Chinese People's University publishing house, 1984, p 364.
7. *Collected Works of Marx and Engels*, Vol 16, p 14.

#### Report of Survey of Private Enterprises in Liaoning Province

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No 11, 1 Jun 89 pp 30-35

[Article by Cheng Xiangqing 4453 3276 3237, Li Bojun 2621 0130 6874, and Xu Huafei 1776 5478 7378; not translated]

#### Exploration of the State and Direction of Modernization of Publication in China

*Beijing QIUSHI [SEEKING TRUTH] in Chinese*  
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*Beijing QIUSHI [SEEKING TRUTH] in Chinese*  
No 11, 1 Jun 89 p 46

[Article by Wang Dahai 3769 1129 3189; not translated]

#### The Most Urgent and Most Sluggish

*Beijing QIUSHI [SEEKING TRUTH] in Chinese*  
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[Article by Sun Dayou 1723 6671 0147; not translated]

#### The Number 100 Snake Wine Can

*Beijing QIUSHI [SEEKING TRUTH] in Chinese*  
No 11, 1 Jun 89 pp 47-48

[Article by Bi Shumin 3968 3219 2404; not translated]